

Message Text

PAGE 01 TOKYO 12865 121009Z

43

ACTION EA-09

INFO OCT-01 ARA-06 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 EB-07

COME-00 TRSY-02 XMB-02 OPIC-03 AID-05 INT-05 AGR-05

STR-04 FEAE-00 /090 W

----- 074957

R 120840Z SEP 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 3262

AMEMBASSY ASUNCION

AMEMBASSY BUENOS AIRES

INFO AMEMBASSY BRAZILIA

AMEMBASSY CARACAS

AMEMBASSY MONTEVIDEO

LIMITED OFFICIAL USE TOKYO 12865

E.O. 11652: N/A

TAGS: EGEN EAD ENRG JA BR VE PA UY AR

SUBJ: VISITS TO LATIN AMERICA OF FUKUDA AND NAGANO MISSIONS

1. EMBOFFS HAVE REVIEWED WITH FONOFF REPS (NAKASONE AND HAYAKAWA, RESPECTIVELY DIRECTORS OF THE FIRST AND SECOND CENTRAL AND SOUTH AMERICA DIVISIONS) THE RECENT TRIPS TO LATIN AMERICA OF THE ECONOMIC MISSION UNDER SHIGEO NAGANO AND, SUBSEQUENTLY, DEPUTY PRIME MINISTER TAKEO FUKUDA. NAKASONE ORGANIZED, ACCOMPANIED, AND IS PREPARING THE OFFICIAL REPORT ABOUT THE NAGANO MISSION. MAIN POINTS MADE BY NAKASONE AND HAYAKAWA RE AS FOLLOWS:

2. NAGANO MISSION:

A. ARGENTINA. TIMING OF VISIT PRESENTED PROBLEMS BECAUSE OF ECONOMIC AND POLITICAL DIFFICULTIES IN ARGENTINA. POLITICALLY, FONOFF JUDGMENT WAS THAT PERON WILL REMAIN IN OFFICE AND THAT MILITARY WILL NOT INTERVENE. ECONOMIC-
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 TOKYO 12865 121009Z

CALLY, FONOFF WAS AWARE THAT ARGENTINE SITUATION HAS DETERIORATED DURING 1975, BUT FONOFF IS FAMILIAR WITH STRONG CYCLICAL FLUCTUATIONS IN ARGENTINE ECONOMY AND CONTINUES TO BELIEVE POTENTIAL IS HIGH. OBJECT OF

NAGANO MISSION WAS TO CONFIRM THESE IMPRESSIONS, WHICH IT DID; IN THIS RESPECT MISSION WAS SUCCESSFUL. WHILE IN ARGENTINA, MISSION CONFIRMED JAPAN'S READINESS TO EXTEND EXIM BANK CREDITS UP TO 200 MILLION DOLLARS, OF WHICH UP TO 100 MILLION DOLLARS WOULD BE FOR SOMISA STEEL MILL, UNDISCLOSED AMOUNT FOR SANTO GRANDE HYDRO-ELECTRIC PROJECT, AND UP TO 150 MILLION DOLLARS FOR RAILWAY ELECTRIFICATION. MISSION ALSO PROMISED COMMERCIAL TECHNICAL ASSISTANCE TO STEEL INDUSTRY AND ALSO FOR CERTAIN PORT FACILITIES AND TELEPHONE NETWORK DEVELOPMENT. ARGENTINA ALSO REQUESTED 150 MILLION DOLLAR EMERGENCY CREDIT BUT NO DECISION HAS BEEN REACHED AS YET BY JAPANESE. FONOFF IS AWARE ARGENTINA HAS NOT YET REQUESTED IMF STANDBY ARRANGEMENT, AND IS ALSO WATCHING TO SEE WHETHER EMERGENCY LOANS MATERIALIZE FROM OTHER SOURCES.

B. RE URUGUAY AND PARAGUAY, JAPANESE PURPOSE WAS TO DEMONSTRATE ATTENTION TO RELATIONS WITH RELATIVELY SMALLER COUNTRIES AND TO DISPEL NOTION THAT IN LATIN AMERICA JAPAN IS CONCERNED ONLY WITH GIANTS. IMPORTANCE ATTACHED BY PARAGUAY TO JAPANESE VISIT WAS DEMONSTRATED BY GOP MINISTERS' TURNING OUT AT AIRPORT TO MEET MISSION. UNFORTUNATELY, MISSION WAS UNABLE TO SATISFY HIGH EXPECTATIONS OF PARAGUAYANS IMMEDIATELY, BUT JAPAN WILL STUDY PARAGUAYAN REQUESTS FOR ASSISTANCE ONE BY ONE IN FUTURE. URUGUAYANS FOR THEIR PART ARE ECONOMICALLY BETTER OFF THAN ARGENTINA AND DID NOT ASK FOR MUCH IN THE WAY OF JAPANESE ASSISTANCE. GOU LEADERS APPRECIATED DIPLOMATIC SIGNIFICANCE OF MISSION'S VISIT AND EXPRESSED SATISFACTION WITH MISSION'S VISIT FOR THAT REASON.

C. MISSION'S REPORT IS IN FINAL STAGES OF PREPARATION AND NAKASONE UNDERTOOK TO GIVE US COPY WHEN IT IS COMPLETE.

3. FUKUDA VISIT:

A. BRAZIL.

(1) ALUMINUM PROJECT. IN DISCUSSING PROPOSED LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 TOKYO 12865 121009Z

ALUMINUM PROJECT FUKUDA DID NOT GO BEYOND LAST YEAR'S TANAKA-GEISEL COMMUNIQUE; NO NEW AGREEMENTS WERE REACHED. FUKUDA MANIFESTED A POSITIVE ATTITUDE BUT WITHOUT SPECIFICS -- FUKUDA DID NOT MENTION POSSIBILITY OF JAPAN EXIM BANK CREDITS -- AND WITH DUE RESERVATIONS. BOTH SIDES ARE STILL WAITING FOR ANTICIPATED DECISION BY JAPANESE COMPANIES TO GO FORWARD WITH FEASIBILITY STUDY. HOWEVER, IT WILL NOT BE ENOUGH TO HAVE FEASIBILITY STUDY GIVE POSITIVE RESULTS; RESOLUTION OF JAPAN'S OWN PROBLEMS (INFLATION, RECESSION, DOMESTIC PRIORITIES) WILL BE NECESSARY FOR JAPAN TO GIVE POSITIVE SUPPORT. JAPAN RECOGNIZES POLITICAL IMPLICATIONS OF PROJECT FOR

JAPAN-BRAZIL RELATIONS AND SOMETHING MAY ULTIMATELY BE WORKED OUT ALONG LINES OF ASAHAN PROJECT IN INDONESIA, WHICH, HOWEVER, REQUIRED SEVEN OR EIGHT YEARS OF DISCUSSIONS AND NEGOTIATIONS PRIOR TO FIRM JAPANESE COMMITMENT.

(2) GEISEL RECONFIRMED HIS ACCEPTANCE OF GOJ INVITATION TO VISIT JAPAN EARLIER EXTENDED BY TANAKA; PRESENT EXPECTATION IS THAT HE WILL COME TO JAPAN NEXT APRIL OR MAY.

(3) GEISEL REFERRED TO THE BILATERAL TRADE IMBALANCE AND EXPRESSED HOPE FOR AN INCREASE IN TRADE FOR THE MUTUAL BENEFIT OF BOTH COUNTRIES. BRAZILIANS APPRECIATE EARLIER VISIT OF JAPANESE MISSION UNDER FORMER TRADE AND INDUSTRY VICE MINISTER YAMASHITA, WHICH AIMED TO FIND WAYS TO EXPAND BRAZIL'S EXPORTS TO JAPAN, AND ALSO UNDERSTAND THAT REALIZATION OF VARIOUS AGRICULTURAL DEVELOPMENT SCHEMES AND (HOPEFULLY) ALUMINUM PROJECT WILL CONTRIBUTE TO GROWING EXPORTS TO JAPAN, AND DID NOT PRESS TRADE ISSUE ON THIS OCCASION.

B. VENEZUELA. FUKUDA'S VISIT WAS FIRST EVER TO VENEZUELA BY JAPANESE MINISTER, MUCH LESS DEPUTY PM. HEREIN LAY SIGNIFICANCE OF HIS VISIT, WHICH WAS APPRECIATED BOTH BY VENEZUELAN AND BY JAPANESE. THERE WERE NO QTE CONCRETE TALKS UNQTE, BUT POSSIBILITY OF EXPORT OF VENEZUELAN PETROLEUM TO JAPAN WAS RAISED BY VENEZUELAN. FUKUDA EXPLAINED PRACTICAL INFEASIBILITY OF SUCH SCHEME WHICH RESULTED FROM HIGH SULPHUR CONTENT OF OIL AND INABILITY OF JAPANESE TANKERS TO USE PANAMA CANAL. HE ALSO OPINED THAT ANY KIND OF SWAP ARRANGE-
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 TOKYO 12865 121009Z

MENT WOULD ALSO BE DIFFICULT. HAYAKAWA ACKNOWLEDGED FUKUDA MAY HAVE HAD IN MIND POLITICAL IMPLICATIONS OF SUCH A TRANSACTION AS WELL AS ABOVE ECONOMIC FACTORS.

4. EMBASSY COMMENT: BOTH NAGANO AND FUKUDA VISITS ARE INDICATIVE OF INCREASING IMPORTANCE JAPAN ATTACHES TO ITS RELATIONS WITH LATIN AMERICAN AND CONSTITUTE SIGNIFICANT FOLLOW-UP OF VISIT TO MEXICO AND BRAZIL BY FORMER PM TANAKA IN SEPTEMBER 1974. JAPAN CLEARLY EXPECTS THAT COMBINATION OF POLITICAL AND AID GESTURES ON ITS PART WILL CONTRIBUTE TO GROWING, SECURE, AND MUTUALLY BENEFICIAL TRADE AND INVESTMENT RELATIONSHIPS WITH LATIN AMERICA. IN THIS CONNECTION, JAPANESE PRESS REPORTING ON FUKUDA TRIP TENDED TO EMPHASIZE BRAZILIAN AND VENEZUELAN INTEREST IN "REDUCING THEIR DEPENDENCE UPON U.S.

HODGSON

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, POLITICAL SITUATION, PROGRAMS (PROJECTS), VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TOKYO12865
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750316-0809
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197509106/baaaafzv.tel
Line Count: 162
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by MartinML>; APPROVED <19 NOV 2003 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971021
Subject: n/a
TAGS: EAID, EGEN, ENRG, AR, BR, JA, PA, UY, VE, EGEN
To: STATE
ASUNCION
BUENOS AIRES INFO BRAZILIA
CARACAS
MONTEVIDEO
Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006